

Tax Exemptions for Cogeneration Equipment

RS 47:305

§305. Exclusions and exemptions from the tax

A.(1) The gross proceeds derived from the sale in this state of livestock, poultry, and other farm products direct from the farm ...

(2) The gross proceeds derived from the sale in this state of livestock at public sales sponsored by breeders' or registry associations or livestock auction markets are exempted from the sales and use tax levied by the state only. ...

(3) Every agricultural commodity sold by any person, other than a producer, to any other person who purchases not for direct consumption but for the purpose of acquiring raw product for use or for sale in the process of preparing, finishing, or manufacturing such agricultural commodity for the ultimate retail consumer trade, shall be exempted ...

(4)(a) The purchase of feed and feed additives for the purpose of sustaining animals which are held primarily for commercial, business, or agricultural use shall be exempted from the taxes levied by taxing authorities.

...

(5) Solely for purposes of the sales and use tax levied by the state, such tax shall not apply to the sale or use of materials, supplies, equipment, fuel, bait, and related items other than vessels used in the production or harvesting of crawfish...

(6) Solely for purposes of the sales and use tax levied by the state, such tax shall not apply to the sale or use of materials, supplies, equipment, fuel, bait, and related items other than vessels used in the production or harvesting of catfish. ...

B. For purposes of the sales and use tax of all taxing authorities, the "use tax," as defined herein, shall not apply to livestock and livestock products, to poultry and poultry products, to farm, range and agricultural products when produced by the farmer and used by him and members of his family.

C. For purposes of the sales and use tax of all taxing authorities, where a part of the cost price of a motor vehicle is represented by a motor vehicle returned to the dealer's inventory, the use tax is payable on the total cost price less the wholesale value of the article returned.

D.(1) The sale at retail, the use, the consumption, the distribution, and the storage to be used or consumed in the taxing jurisdiction of the following tangible personal property is hereby specifically exempted from the tax imposed by taxing authorities, except as otherwise provided in this Paragraph:

(a) Gasoline.

(b) Steam.

(c) Water (not including mineral water or carbonated water or any water put in bottles, jugs, or containers, all of which are not exempted).

(d) Electric power or energy and any materials or energy sources used to fuel the generation of electric power for resale or used by an industrial manufacturing plant for self-consumption or cogeneration.

(e) Newspapers.....

Acts 1962, No. 182, §3
Acts 1972, No. 234, §1
Acts 1973, Ex.Sess., No. 13, §1, eff. Jan. 1, 1974
Acts 1974, No. 186, §1
Acts 1974, No. 627, §1
Acts 1975, No. 200, §1
Acts 1975, No. 372, §1
Acts 1976, No. 662, §1
Acts 1977, No. 516, §1
Acts 1978, No. 652, §1, eff. Jan. 1, 1979
Acts 1979, No. 145, §1
Acts 1979, No. 796, §1
Acts 1980, No. 159, §1
Acts 1980, No. 710, §1, eff. July 24, 1980
Acts 1983, No. 673, §1, eff. July 1, 1984
Acts 1984, No. 183, §1, eff. July 1, 1984
Acts 1985, No. 258, §1, eff. June 6, 1985
Acts 1985, No. 530, §1
Acts 1985, No. 901, §1, eff. Sept. 1, 1985
Acts 1986, No. 677, §1
H.C.R. No. 55, 1986 R.S.
Acts 1987, No. 156, §1, eff. Sept. 1, 1987
Acts 1987, No. 364, §1, eff. Sept. 1, 1987
Acts 1987, No. 847, §1, eff. July 20, 1987
Acts 1988, No. 948, §1, eff. Sept. 1, 1988
Acts 1990, No. 155, §1, eff. July 1, 1990
Acts 1990, No. 476, §1, eff. July 18, 1990
Acts 1991, No. 495, §1, eff. July 15, 1991
Acts 1991, No. 1065, §1, eff. Aug. 1, 1991
Acts 1994, No. 18, §2
Acts 1996, No. 29, §1, eff. July 2, 1996
Acts 1998, No. 4, §1, eff. June 4, 1998
Acts 1998, No. 37, §1, eff. June 24, 1998
Acts 1998, No. 38, §1, eff. June 24, 1998
Acts 2002, No. 4, §1, eff. June 30, 2002
Acts 2002, No. 31, §1, eff. July 1, 2002
Acts 2002, No. 37, §1, eff. June 25, 2002
Acts 2002, No. 42, §1, eff. July 1, 2002
Acts 2002, No. 62, §1, eff. June 25, 2002
Acts 2002, No. 72, §1, eff. June 25, 2002
Acts 2003, No. 73, §1, eff. July 1, 2003.

*JUNE 29, 1978.

NOTE: SEE R.S. 47:302(J) AND 331(I) FOR §305(D)(1)(t).

NOTE: SEE ACTS 2002, NO. 4, RE §(D)(1)(h).

RS 47: 305.31 (– Sunset December 31, 1989, Paragraph E)

§305.31. Exclusions and exemptions

equipment facilitating energy conservation, conversion to alternate fuels

A. As used in this Section, the following words and phrases have the meaning ascribed to them:

(1) "Energy conservation property" means tangible property used, or held for use, as an integral part of a modification to, or replacement of, all or part of an existing electrical generation, manufacturing, production, or extraction facility, process, or item of equipment, but only if such modification or replacement either results in:

(a) the utilization by such facility, process, or item of equipment of less energy per unit of output, or

(b) the conversion of such facility, process, or item of equipment to permit the use of an alternate substance as a fuel or as a feedstock.

Property shall be considered to be an integral part of a modification or replacement otherwise described in this Paragraph only if such property either directly results in a utilization or conversion described in this Paragraph or is part of, physically attached to, or otherwise directly associated with such property. For purposes of this Paragraph, any property, the installation of which is reasonably necessary for the proper installation, operation, or maintenance of property which directly results in a utilization or conversion described in this Paragraph, shall be considered as directly associated with such property.

(2) "Existing", in applying Paragraph (1) of this Subsection, means:

(a) when used in connection with a facility, a facility which is in operation before the effective date of this Section

(b) when used in connection with a process, a process which was carried on as of the effective date of this Section
and

(c) when used in connection with equipment, such equipment was placed in service before the effective date of this Section.

(3) "Alternate substance", in applying Subsection A(1)(b), means any substance other than:

(a) oil and natural gas, and

(b) any product of oil and natural gas.

Petroleum coke and waste gases from industrial operations shall be treated as alternate substances.

(4) "Computations per unit of output": The determinations required by Subsection A(1)(a) shall be made by comparing the BTU's of oil and natural gas, or energy, used by the facility, process, or item of equipment per unit of output, prior to the modification or replacement, with the BTU's of oil and natural gas, or energy, used by such facility, process, or item of equipment per unit of output upon completion of the modification or replacement. In the case of determinations

under Subsection A(1)(a) with respect to electricity, a heat rate of ten thousand BTU's per kilowatt hour shall be used.

B. Solely for purposes of the sales and use taxes levied by the state, such taxes shall not apply to the sale at retail, the use, the consumption, the distribution, the storage for use or consumption in this state, and the lease or the rental of any energy conservation property if such energy conservation property is used or consumed in this state by an existing manufacturing establishment or public utility.

C. The provisions of Subsection B shall not apply to any manufacturing establishment or public utility, and property defined in Subsection A(1)(a) shall not be energy conservation property, unless the total energy saved per year will be greater than thirty billion BTU's.

The total energy saved per year shall be determined by multiplying the units of output of such manufacturing establishment or public utility for the year proceeding the year in which such property is acquired or the replacement or modification begins by the BTU's per unit of output which will be saved.

D. The Board of Commerce and Industry shall promulgate rules and regulations which define the term "manufacturing establishment" in conformance with the board's interpretation of that term for *ad valorem* tax exemption purposes, pursuant to Article VII, Section 21(F) of the Constitution of Louisiana. Upon application, in such form and manner as the board shall require, the board shall notify the Department of Revenue which shall issue a certificate of exemption with respect to any item of property certified by the applicant as property which may reasonably be expected to qualify as energy conservation property upon completion of a modification or replacement described in Subsection A(1). Not later than twelve months after completion of a modification or replacement described in Subsection A(1), the taxpayer shall submit to the board such evidence as the board, in consultation with the Department of Natural Resources, shall require to establish to the satisfaction of the board that property with respect to which a certificate has been issued is energy conservation property. Upon failure to meet the requirements specified by this Subsection, the taxpayer shall remit any and all taxes that would have been imposed but for the issuance of a certificate pursuant to Subsection D.

E. **This Section shall not apply to any sales, use, and lease taxes incurred by a manufacturing establishment or public utility after December 31, 1989.**

Added by Acts 1981, No. 516, §1, eff. July 18, 1981. H.C.R. No. 55, 1986 R.S.

Acts 1997, No. 658, §2

Acts 2003, No. 73, §1, eff. July 1, 2003.